



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



*Please file
4/047/010*

IN REPLY REFER TO:

UTU-0126943

(UT-923)

MAR 26 2004

CERTIFIED MAIL—Return Receipt Requested

Mr. Earl White
American Gilsonite Company
HC 73 Box 28
Vernal, Utah 84078

Re: Exploration Plan Federal Gilsonite lease UTU-0126943

Dear Mr. White:

We have received a copy of your exploration plan for Federal Lease UTU-012694 on the Wagon Hound vein. BLM has determined that there has been no mining on this lease. The exploration plan that you have submitted includes a shaft/raise. Based on a telephone conversation on March 17, 2004, you indicated that the shaft/raise would be removed from the plan. Based on our review of the plan and the premise that there will be no shaft at this time, we have the following comments on the exploration plan.

1. You need to provide information on the amount of water that has been encountered on your adjacent workings at the level that you are planning to explore. This will help in providing a basis for any impacts that may be caused by mining. In your plan you should provide a lessee prescription that if ground water is encountered that you will do the following:
 - a. Should groundwater flow be encountered in quantities greater than 5 gallons per hour during operations, the lessee/operator shall contact the Utah State Office Mining Engineer (801) 539-4036 and the Vernal Field Office Hydrologist or Geologist (435) 781-4400 within 24 hours of the encounter and report on the following:
 - 1) True vertical encountered depth
 - 2) Subsurface location at which it was encountered
 - 3) The approximate flow rate into the mine
 - 4) Association of flow with any major geologic feature such as a fault or fracture surface.

Based upon this information, the AO will determine if the lessee will be required to monitor the effect of the flow into the mine on any nearby wildlife, or stock wells. If such wells are affected the AO, may require the lessee to supply replacement water to the affected stock or wildlife ponds.

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DIV. OF OIL, GAS & MINING

All groundwater flows encountered in the mine shall be sampled and analyzed for major cations, anions, total dissolved solids, pH, and total suspended solids. The lessee shall follow the rules and regulations of the State of Utah pertaining to the sampling parameters for pollutants and surface effluent discharges from the proposed Gilsonite mine (Utah Administrative Code, August 4, 1995, R317-1.2: General Requirements; R317-8.3: Application Requirements (for a UPDES Permit; R317-6-2: Ground Water Quality Standards). Results from these analyses and sampling parameters for pollutants as required by the State of Utah shall be provided to the Vernal District Office Hydrologist (Vernal District Office, 170 L., 500 E., Vernal, UT 84145-0155) within 30 working days of encountering the water.

2. You should discuss how the site will be abandoned if the proper quality and vein thickness is not found.
3. The lessee should address hazardous waste and provide a negative statement if necessary. (No chemicals subject to SARA Title III in amounts greater than 10,000 lbs. would be used. No extremely hazardous substances as defined in 40 CFR 355 in threshold planning quantities would be used).
4. Would you please provide a scaled map of the proposal.

If you require further information, please contact Mr. Stan Perkes at (801) 539-4036.

Sincerely,

James F. Kohler

James F. Kohler
Chief, Solid Minerals Branch

cc: Vernal Field Office
Utah Division of Oil, Gas, and Mining (ATTN: Doug Jensen)